



How to Do Renewable Energy Business in China

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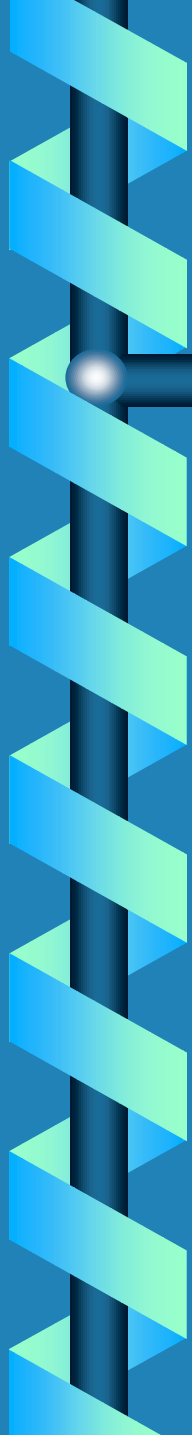
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Content introduction

- * Renewable energy business development status in China
- * Where is the market
- * How to do business in China
- * Question for discussion



Renewable energy business development status in China

- ✧ Wind power system
- ✧ Solar PV
- ✧ Solar thermal
- ✧ Biomass



Small wind turbines

- 50 to 300 W system, for off grid users, especially for household size users;
- installed more than 150,000 pieces, 90% located in Inner Mongolia;
- more than 95% are local manufacture;
- Annual sales are about 5,000 pieces and market is subsided by local government.



Middle size wind turbines

- mainly for off grid system users, especially for village power system. Such as hybrid system;
- one joint venture manufacture in China;
- several small manufacture facility inside of research institutions;
- with big market potential



Large wind turbines

- Major for grid connect power system;
- 230 MW installed in 17 wind farmers;
- no real market is available yet;
- 60% of them by bilateral program
- 40% by government program;
- But market potential is huge, 250 GW and it ranked first in the world.



independent system

- real market has been developed in west part of China, with annual sales of more than 20,000 pieces home system;
- 10 to 75 W system;
- 80% is local products;



Roof-top system

- in the demonstration stage, only two sites are available with about 100 kW;
- but roof-top is the real future market.



Solar thermal system

- * world class market size
 - 10 million m² has been installed;
 - annual sales is about 3 million m²;
 - more than 500 manufactures;
- * major users are home hot water supply;
- * solar integrated building has been developed:
 - a proposal has been developed by Chinese government



Biomass

- * Fuelled and agriculture residuals:
 - market for small sized gasification system for village gas supply
 - small turbines for village power supply
- * waste water treatment
 - Large biogas system
- * Landfill technologies
 - annual urban refuse production is about 150 million tons, with about 1.5 billion cubic meters of landfill gas recovery potential;
 - nor technologies are available in the domestic market;
 - two demonstration sites have been set up.



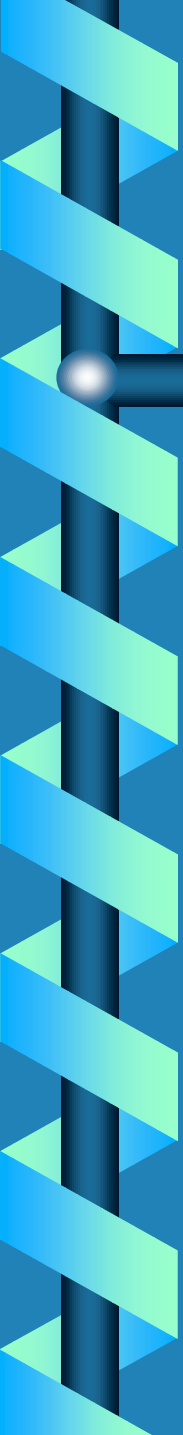
Where is the market

- * How do you know Chinese market in general?
- * Characteristics of Chinese market
 - various class of users;
 - wide range of quality;
 - large scale of market
- * Characteristics of Chinese renewable energy business
 - small scale;
 - backward technologies;
 - poor management;
 - distorted market



How to do business in China

- ✧ identify the right market, including products, locations and users, like Cocala;
- ✧ identify the right partners, like Shell oil
- ✧ select the right cooperating mechanism;
- ✧ localization manufactures and management, like Motorola;
- ✧ select the right marketing approach, like Dell;



How do you know Chinese market

* what are you problems?



Question for discussion

- * what kind business do you want to open in China?
- * What partners do you want to select?
- * What are your major concerns for doing business in China?
 - Policies framework?
 - Market potential?
 - Regulation and legislation system;
 - taxation;
 - or others?